

THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979 (EXCERPT)
Act 300 of 1980

38.1369c Employee in nonpublic elementary or secondary educational institution or nonpublic institution of higher education, employee in foreign country at school for United States personnel or dependents, full-time teacher with job corps, teacher in trust territory, or teacher on Indian reservation; purchase of service credit; request; documentation; payment of amount equal to actuarial cost; condition to service being credited; satisfaction of minimum service credit for retirement allowance; refund; effect of pension or annuity; retirant with retirement allowance effective date on or after January 1, 1988, and on or before December 21, 1988; definitions.

Sec. 69c. (1) A member may elect to purchase service credit for service performed as an employee in a nonpublic elementary or secondary educational institution or a nonpublic 2- or 4-year institution of higher education in this state, in other states of the United States, or in the territorial possessions of the United States upon request and presentation of documentation of the employment rendered that is verifiable from official employment or payroll records or other acceptable documentation as determined by the retirement board, and upon payment to the retirement system of the actuarial cost.

(2) Before January 31, 1991, a member may elect to purchase service credit for service performed as an employee in a foreign country at a school for United States personnel or dependents of the United States military or United States department of state personnel; service performed as a full-time teacher with the job corps created pursuant to section 422 of part B of title IV of the job training partnership act, Public Law 97-300, 29 U.S.C. 1692; service performed as a teacher in a trust territory or former trust territory of the United States; or service performed as a teacher on an Indian reservation in this country; upon request and presentation of documentation of the employment rendered that is verifiable from official employment or payroll records or other acceptable documentation as determined by the retirement board, and upon payment to the retirement system of the actuarial cost.

(3) Service shall not be credited under this section unless the service being purchased is followed by at least 5 years of reporting unit service credit under this act or former Act No. 136 of the Public Acts of 1945. Service purchased under this section shall not be used to satisfy the minimum of 10 years of service credit required to receive a retirement allowance under this act. The total service credited under subsections (1) and (2) shall not exceed 5 years.

(4) If a member who made payment for service under this section dies and a retirement allowance beneficiary has not been designated, or if the member withdraws from service before his or her retirement becomes effective, the payment made by the member shall be refunded to the member or to the member's refund beneficiary upon request.

(5) Service shall not be credited under this section if the member is or will be receiving a pension or annuity for the same service from another retirement system.

(6) A person who became a retirant with a retirement allowance effective date on or after January 1, 1988 and on or before December 21, 1988 shall be entitled to purchase service credit for service performed as an employee in a nonpublic elementary or secondary educational institution or a nonpublic 2- or 4-year institution of higher education as provided by this section. Service credit purchased pursuant to this subsection shall be purchased before July 1, 1989, or the expiration of 6 months after December 21, 1988, whichever is later. The monthly retirement allowance of a retirant entitled to purchase service credit under this subsection shall be recomputed based upon the additional service credit. The recomputed monthly amount shall be payable beginning on the first day of the month following the month in which payment is received by the retirement system.

(7) As used in this section:

(a) "Nonpublic elementary or secondary educational institution" means an institution that offers or provides an organized course of academic study primarily oriented toward the awarding of high school diplomas. Nonpublic elementary or secondary educational institution does not include a proprietary school.

(b) "Nonpublic 2- or 4-year institution of higher education" means an institution that offers an organized course of academic study primarily oriented toward the awarding of associate, baccalaureate, master's, doctoral, or other academic degrees. Nonpublic 2- or 4-year institution of higher education does not include a proprietary school.

(c) "Proprietary school" means a school that uses a certain plan or method to teach a trade, occupation, or vocation for a consideration, reward, or promise. Proprietary school includes, but is not limited to, a private business, trade, or home study school.

History: Add. 1987, Act 242, Imd. Eff. Dec. 28, 1987;—Am. 1988, Act 385, Imd. Eff. Dec. 21, 1988;—Am. 1989, Act 194, Imd. Eff. Aug. 25, 1989.

Popular name: Act 300